



COSTA MESA SANITARY DISTRICT MINUTES OF BOARD OF DIRECTORS REGULAR MEETING MAY 10, 2004

CALL TO ORDER

The Board of Directors of the Costa Mesa Sanitary District met in regular session on May 10, 2004, at 6:00 p.m. in Room 5-A of the Civic Center, 77 Fair Drive, Costa Mesa.

President Schafer called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Director Perry led the Pledge of Allegiance

INVOCATION

Director Woodside gave the invocation.

ROLL CALL

DIRECTORS PRESENT: Arlene Schafer, Greg Woodside, Art Perry, James Ferryman, Dan Worthington

DIRECTORS ABSENT: None

STAFF PRESENT: Robin Hamers, Manager/Engineer; Alan Burns, Legal Counsel; Tom Fauth, Assistant Manager; Joan Revak, Clerk of the District; Marc Puckett, Treasurer; Bobby Young, Finance; Colleen O'Donoghue, Finance; Ron Shef, District Ordinance Enforcement Officer; Debbie Bjornson, Permit Processing Specialist; Denise Gilbert, Permit Processing Specialist

OTHERS PRESENT: Mr. Allan Roeder, City Manager, City of Costa Mesa



Mr. Puckett introduced Staff member Ms. Colleen O'Donoghue and reported she would remain in the meeting while he and Mr. Young attend a prearranged concurrent meeting for approximately 20 minutes.

..... **CONSENT CALENDAR**

Director Worthington motioned to approve the Consent Calendar as presented. Director Perry seconded. Motion carried 5-0.

REPORTS

MINUTE APPROVAL

Minutes of Recycling Committee Meeting, April 6, 2004	The Minutes of the Recycling Committee Meeting of April 6, 2004, were approved as distributed.
Minutes of the Investment Oversight Meeting April 8, 2004	The Minutes of the Investment Oversight Meeting of April 8, 2004, were approved as distributed.
Minutes of Regular Meeting, April 8, 2004	The Minutes of the Regular Meeting of April 8, 2004, were approved as distributed.
Minutes of Special Meeting, April 14, 2004	The Minutes of the Special Meeting of April 14, 2004, were approved as distributed.

MANAGER'S REPORTS

Refunds	There were no refunds submitted for April 2004.
Occupancy Report and Payment of \$182,209.60 to Costa Mesa Disposal – May 2004	<p>The Trash Occupancy Count documented an increase of 14 units for the occupancy report for solid waste collection as of May 1, 2004. Therefore, the total for May is 21,114.</p> <p>Board directed Staff to prepare a warrant for \$182,209.60 to Costa Mesa Disposal on June 1, 2004, for payment for May trash collection based on the May count of 21,114.</p>



Monthly Spill Report to
Regional Water Quality
Control Board (RWQCB)

The Monthly Spill Report to the Regional Water
Quality Control Board (RWQCB) for April 2004 was
accepted as submitted.

ENGINEER'S REPORTS

Project Status Report

The Project Status Report dated May 2004, was
accepted as submitted.

TREASURER'S REPORTS

Financial Report as of
April 30, 2004

The Financial Report as of April 30, 2004, was
accepted as submitted.

Report of Monies on
Deposit as of
April 30, 2004

The Report of Monies on Deposit as of April 30,
2004, was received and filed.

Warrant 2004-11 for May
2004 in the amount of
\$451,772.59

Warrant Resolution #CMSD 2004-11 was
approved, authorizing the President and Secretary
to sign the warrant and instructing the Treasurer to
draw a warrant from the Costa Mesa Sanitary
District General Fund in the amount of
\$451,772.59.

Directors Expenses for the
Month of April 2004

Director Expenses for the Month of April 2004 were
ratified as follows:

Director Ferryman: \$510.00 + 3.37

Director Perry: \$680.00

President Schafer: 1020.00 + \$24.36

Vice President Woodside: \$510.00

Director Worthington: \$1020.00 + 298.59

..... **END OF CONSENT CALENDAR**

WRITTEN COMMUNICATIONS

Ms. Revak reported receiving two letters from school students thanking the Costa
Mesa Sanitary District for the monetary award for participation in the Telephone
Book Recycling Program.



Ms. Revak received the Annual Report from the County of Orange, Integrated Waste Management Department. The report documents the system's annual performance and financial condition as of June 30, 2003. The report includes an update of the system's 10 year financial projection prepared by IWMD Staff and audited financial statements prepared by Macias, Gini & Company LLP.

PUBLIC COMMENTS

There were no public comments made.

MANAGER'S REPORTS

ORANGE COUNTY IWMD PROPOSED AMENDMENT TO WASTE DISPOSAL AGREEMENT

Mr. Hamers provided a brief description of the correspondence from County of Orange, Integrated Waste Management Department, dated April 21, 2004. The letter outlines the renewal option under Article VI, Section 6.1 (B) to renew on or before June 30th, 2004, for an additional term of ten years on the same terms and conditions as are applicable during the Initial Term of the Agreement. If not renewed by June 30, 2004, the Waste Disposal Agreements expire on June 30, 2007. Because IWMD staff and the City Managers working group are unable to perform the extensive study required to project whether a 10 year extension at the same terms is feasible, it was recommended that agreements be prepared extending the June 30, 2004 deadline to June 30, 2007 and the June 30, 2007 termination date to June 30, 2010. The IWMD prepared an amendment reflecting this extension of the current terms and it is up for consideration by the CMSD Board of Directors.

Staff recommended approval.

Director Perry motioned to approve Amendment to Waste Disposal Agreement with Costa Mesa Sanitary District, subject to approval of Mr. Burns. Director Ferryman seconded. Motion carried 5-0.

ANTI-SCAVENGING AND SCREENING OF TRASH CONTAINERS ENFORCEMENT REPORTS

POLICE REPORT

Ms. Revak reported the police department is upgrading their computer systems and no report was available.



DISTRICT ORDINANCE ENFORCEMENT OFFICER REPORT

Mr. Hamers presented the ordinance enforcement summary report for the four-week period beginning March 22, 2004 and ending April 18, 2004.

Mr. Shef's summary report contained the following information:

- 20 flyers given to residents and 9 containers oversprayed and ID tagged.
- Kate Brennan, intern, participated in a ride-along of the five collection areas and was shown the various duties and responsibilities of the Enforcement Officer.

Mr. Fauth reported an issue with a resident, formerly not in compliance with District resolutions, has been resolved. Mr. Fauth provided pictures of the site.

CMSD STRATEGIC PLAN

YEAR 2003/2004 ACTION ITEMS

Mr. Hamers presented the 2003/2004 Strategic Planning Action Items, reporting the District is on schedule for all items. Received and filed.

SEPARATION OF DISTRICT FROM CITY

Mr. Hamers reported receiving a response from Mr. Allan Roeder, City Manager, City of Costa Mesa, dated May 3, 2004.

Mr. Hamers reported Staff met with Mr. Allan Roeder, City Manager, City of Costa Mesa, and came to a mutual agreement regarding major issues outlined in the proposal from the Costa Mesa Sanitary District to the City. Mr. Hamers provided a brief summary of the agreement.

Mr. Roeder echoed Mr. Hamers summarization of the discussion and outlined the City's position on the agreement characterizing it as five one-year agreements. Mr. Roeder recommended all points of the agreement be well documented. (Reference points discussed in memorandum to Allan Roeder that will become Attachment 2 to the new City/CMSD Agreement.

Mr. Puckett and Mr. Young left the meeting at 6:30 p.m.

Director Ferryman recommended approval in concept of the agreement, subject to the approval of Mr. Burns. Director Perry seconded. Motion carried 5-0.

Mr. Roeder left the meeting at 6:33 p.m.



Mr. Hamers recommended setting three meeting dates. The following dates were selected:

May 24th at 6:00 p.m.
June 2nd at 11:30 a.m.
June 16th at 11:30 a.m.

CALPERS RESOLUTION OF INTENTION

Mr. Fauth provided an outline of the documents distributed to the Board. Mr. Fauth reported the affected employees of the City of Costa Mesa would vote on May 11, 2004.

Director Perry motioned to adopt the RESOLUTION OF INTENTION TO APPROVE A CONTRACT BETWEEN THE BOARD OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE BOARD OF DIRECTORS COSTA MESA SANITARY DISTRICT. Director Ferryman seconded. Motion carried 5-0.

RECYCLING REPORTS

WASTE DIVERSION REPORT – MARCH 2004

The Waste Diversion Report for March showing a 51.99% diversion rate was received and filed.

WASTE DIVERSION REPORT – APRIL 2004

Mr. Fauth provided an overview of the new format.

The Waste Diversion Report for April showing a 50.65% diversion rate for the City of Costa Mesa and 51.83% for the County was received and filed.

CONTRACT PAYMENT TO CR TRANSFER FOR RECYCLING SERVICES AND DISPOSAL

PAYMENT FOR APRIL 2004 SERVICES

Director Perry motioned to approve contract payment to CR Transfer for recycling services and disposal for the month of April 2004, in the amount of \$178,122.04. Director Woodside seconded. Motion carried 5-0.



COSTA MESA DISPOSAL REQUEST FOR FULLY-AUTOMATED SERVICE AND PRESENTATION OF MASTER PLAN

Mr. Hamers reported a written request has not yet been received.

CLOSED SESSION WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8

PROPERTY: 628 W. 19th Street, Costa Mesa, California

AGENCY NEGOTIATORS MAY INCLUDE: Arlene Schafer, Jim Ferryman, Rob Hamers, Tom Fauth, and Joan Revak

NEGOTIATING PARTIES: Cheong Lee Family LLC

UNDER NEGOTIATION: Price and Terms of Purchase

PROPERTY: 1914 Meyer Place, Costa Mesa, California

AGENCY NEGOTIATORS MAY INCLUDE: Arlene Schafer, Jim Ferryman, Rob Hamers, Tom Fauth, and Joan Revak

NEGOTIATING PARTIES: Gene LaBlanc

UNDER NEGOTIATION: Price and Terms of Purchase

President Schafer determined a Closed Session was not needed and asked Mr. Fauth for a brief report.

Mr. Fauth reported there may be an agreement with the owner of 1914 Meyer Place regarding parking for the new site and had no additional information regarding the sale. Mr. Fauth reported the current tenant will vacate by June 3, 2004.

NEW DISTRICT HEADQUARTERS – 628 W. 19TH STREET

RESOLUTION NO. 2004-681, CONFIRMING AND RATIFYING PURCHASE OF PROPERTY LOCATED AT 628 WEST 19TH STREET

Mr. Burns presented RESOLUTION NO. 2004-681, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT CONFIRMING AND RATIFYING PURCHASE OF PROPERTY LOCATED AT 628 WEST 19TH STREET, COSTA MESA, CALIFORNIA AND MAKING CERTAIN DETERMINATIONS RELATING THERETO.

Director Ferryman motioned to adopt Resolution No. 2004-681. Director Perry seconded. Motion carried 5-0.



UPDATE AND APPROVAL OF IMPROVEMENTS

PURCHASE OF FURNITURE

Mr. Hamers presented three quotations from Vertex Office Furniture for new furniture for the District's headquarters at 628 W. 19th Street, Costa Mesa.

The quotes were for three levels of furnishings: Hoffman - \$84,427.51, Medley - \$105,929.03, and Mosaic - 118,755.59.

Staff believes it is in the best interest of the public to purchase the furniture directly from Vertex rather than incur the time delays associated with obtaining additional quotations. Mr. Hamers provided a list of reasons for the recommendation as follows:

1. The contemplated line of furniture has a three-week manufacturing process followed by a one-week shipping process. A lengthier process will delay the District's schedule resulting in additional rental costs from the City.
2. Vertex is able to apply a special national contract discount to this line of furniture.
3. The line of furniture meets the quality standards of ANSI.
4. Vertex office furniture proposes to provide free interior design and space planning including consultation on services not provided by Vertex including paint, wallpaper and carpeting.
5. Vertex typically sells furniture on a low margin as described in Vertex's proposal. Vertex also provides and extensive warranty and customer support as well as having provided the District's existing furniture.

Mr. Hamers also provided a letter from Mr. Tom Harold, Vertex, dated May 7, 2004, outlining the list of advantages and features Vertex will provide to the District.

Mr. Fauth provided an overview of the furniture brochures, sample board, and layout of the new building depicting office and meeting room locations.

*Mr. Puckett and Mr. Young returned to the meeting at 7:00 p.m.
Ms. O'Donoghue left the meeting at 7:00 p.m.*



Director Perry suggested requesting a 4% reduction before tax and freight.

Director Perry motioned it was in the best interest of the public for the reasons as stated, to approve the quote for the Medley furnishings, \$105,929.03, and execute the agreement with Vertex, first requesting a 4% reduction before tax and freight charges, for a total not to exceed \$125,000. Director Woodside seconded. Motion carried 5-0.

PUBLIC SAFETY EMERGENCY SERVICES EXPO – SUNDAY, MAY 16, 2004

Mr. Fauth reported the 10th annual Public Safety Emergency Services Expo will be held on Sunday, May 16, 2004, at Fire Station #4, 2300 Placentia Avenue. The District will provide a public outreach booth at the event.

RECYCLING COMMITTEE – TUESDAY, MAY 5, 2004 - 9:00 A.M., CR-1A DIRECTORS WORTHINGTON AND WOODSIDE

STRATEGIC PLANNING 2004 – PUBLIC OUTREACH – CLASSROOM RECYCLING PROJECTS

Director Worthington reported the presentations are winding down with the school season ending. Director Worthington reported there will be one additional recycling event next week and invited Directors who have not yet attended a classroom recycling event to attend.

ENGINEER'S REPORTS

WASTE DISCHARGE REQUIREMENTS – (WDR)

GENERAL UPDATE

Mr. Hamers reported things are still moving forward. Mr. Burns had no additional information for the Board.

CMSD 19TH STREET SEWER CONSTRUCTION AND CITY REHABILITATION OF 19TH STREET AND PLACENTIA AVENUE

Mr. Hamers provided an update on the CMSD 19th Street Sewer Construction and City Rehabilitation of 19th Street and Placentia Avenue. Director Worthington inquired as to the impact on the new District office. Mr. Hamers reported the City has put out an addendum to the contract document to require the work in front of certain areas (the DMV and new CMSD headquarters area) be done on the weekends.



Mr. Hamers suggested maps be distributed advising alternate directions to arrive at the District's new building.

TREASURER'S REPORTS

Mr. Puckett was available to answer any questions.

ATTORNEY'S REPORTS

ORDINANCE No. 45, PROVIDING PURCHASING AUTHORITY FOR AN INDEPENDENT PURCHASING SYSTEM

Mr. Burns introduced Ordinance No. 45, AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT PROVIDING PURCHASING AUTHORITY FOR AN INDEPENDENT PURCHASING SYSTEM.

Director Ferryman motioned to adopt Ordinance No. 45, Providing Purchasing Authority for an Independent Purchasing System. Director Perry seconded. Motion carried 5-0.

LOCAL MEETINGS

ORANGE COUNTY SANITATION DISTRICT (OCSD)

REGULAR MEETING – APRIL 28, 2004 (DIRECTOR FERRYMAN)

Director Ferryman attended the April 28, 2004, meeting and reported the following:

- Vote to approve \$38 million increase in ground water replenishment
- Director Ferryman to run for vice chair of OCSD, CMSD to provide letter of support



INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

QUARTERLY MEETING – APRIL 29, 2004

President Schafer attended the Executive Board Meeting on April 6, 2004 and the Quarterly Meeting on April 29, 2004 and reported the following:

- Preparation for General Meeting at the Executive Board Meeting of April 6, 2004
- Mr. Ken Lee, LAFCO, spoke on MSRs at the April 29th event

LOCAL AGENCY FORMATION COMMISSION (LAFCO)

PROPOSED BUDGET FOR FY 2004-2005/PROJECTED SPECIAL DISTRICT CONTRIBUTIONS

President Schafer reported LAFCO adopted a proposed budget for LAFCO operations for Fiscal Year 2004-2005. California Code Section 56381(a) requires that LAFCO distribute the budget for review and comment to each of its funding agencies.

REELECTION OF DIRECTOR SCHAFFER TO LAFCO COMMISSION

President Schafer reported she won a seat at the election, running unopposed.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

President Schafer attended the May 7, 2004, CSDA meeting and reported the following:

- Ongoing conference calls regarding the Governor's budget and special districts
- President Schafer and Director Worthington will be attending Government Affairs Day
- President Schafer asked to represent Special Districts on May 12 along with League of Cities and other organizations
- Ortiz bill to go to suspense file
- Legislation meeting in June
- Governor working to balance budget
- President Schafer provided notes for the Board's perusal



CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA)

2004 SPRING CONFERENCE – APRIL 29-MAY 1, 2004 LAKE TAHOE (DIRECTOR WORTHINGTON)

Director Worthington attended the California Association of Sanitation Agencies 2004 Spring Conference in Lake Tahoe. Director Worthington distributed a list of acronyms and a wallet-sized list of biosolid communications key messages.

Director Worthington provided a brief report on Senator Ortiz's bill and stated CASA determined there are 2,200 Special Districts in the State of California.

Director Worthington reported there was a great deal of information discussed at the meeting and he will prepare and distribute a full written report to the Board.

The next CASA meeting will be August 4-7 in Monterey.

OLD BUSINESS

JUNE 10, 2004, 4:00 P.M. MEETING AT COSTA MESA HISTORICAL SOCIETY

Ms. Revak reported the June 10, 2004, meeting will be held at the Costa Mesa Historical Society at 4:00 p.m.

NEW BUSINESS

NOVEMBER 2, 2004 ELECTION – BOARD OF DIRECTORS

Ms. Revak reported receiving a communication from the Registrar of Voters requesting information for the November 2, 2004 Election, including the length of candidate's statements (200 or 400 words) and whether the District will or will not pay for the candidate's statement of qualifications.

The Costa Mesa Sanitary District Operations Code states: "Candidate's statements shall be limited to 200 words or less and each candidate shall pay his/her own costs of candidate statements and any translations into languages other than English. (Ord. 30 1999)"

Candidate filing is July 12 through August 6, 2004, at 5:00 p.m. The Candidate Handbook will be completed mid-June. Directors Perry and Ferryman are incumbents of the two Director seats to be filled in the 2004 election.



COSTAMAZING: DINING THROUGH THE DECADES – FRIDAY, JUNE 25, 2004

Ms. Revak reported The City of Costa Mesa will present Dining through the Decades at the Mesa Verde Country Club on Friday, June 25, 2004, at 6:00 p.m. Directors Ferryman and Perry expressed an interest in attending. President Schafer will be attending as a guest of the City of Costa Mesa.

Directors will confirm their attendance with Ms. Revak.

ORAL COMMUNICATIONS AND DIRECTOR COMMENTS

Director Worthington reported he spoke to Councilman Allan Mansoor and Eric Beaver regarding commercial trash collection.

Mr. Hamers reported he received a communication on May 7, 2004, from Mr. John Moorlach, Orange County Treasurer, requesting permission to nominate Mr. Robert Otero to the Treasury Oversight Committee.

The Board determined they did not have enough time to research and respond to the request. Mr. Hamers will communicate the Board's position.

Mr. Hamers thanked the Board for their dedication to the move and commended them for the series of excellent decisions made.

ADJOURNMENT

At 8:24 p.m., President Schafer adjourned the meeting.

SECRETARY

PRESIDENT